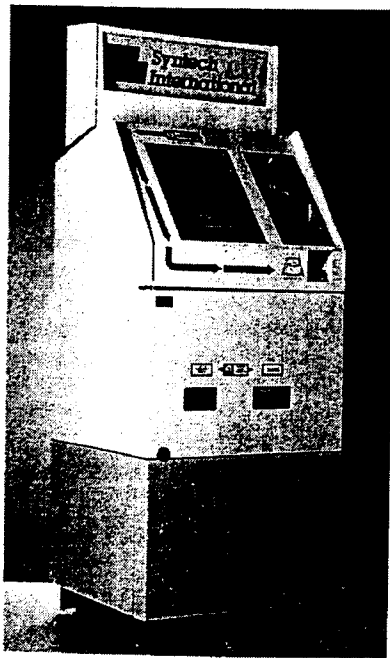


Computer Technology Changes Look of Instant Ticket Sales

An overview of the burgeoning number of on-line options for getting instant ticket games to the customer.

Over the past several years, the shape of instant ticket technology has taken some innovative twists. During that period, a number of manufacturers have departed from the traditional methods of printing or distributing tickets, and are expanding the options open to lotteries for conducting instant ticket sales.

The new systems, either available or already in place, are designed to increase accountability, cut down on labor overhead, and increase security.



Syntech PAT-2000

The following is a rundown on products currently available or soon to be marketed.

Syntech International

Syntech has in place a player-activated terminal (PAT-2000) in the state of New York that is designed to dispense all of that lottery's games, and

that is currently dispensing the same instant tickets that are being sold by agents over-the-counter.

Syntech was the first company to offer an automated, on-line player-activated terminal, the first with a touch-screen terminal, and the first to sell rub-off instant tickets through that terminal.

Currently, the PAT-2000s are being stocked with the same paper tickets being sold by retail agents, but the terminal can be programmed to offer a video game that simulates the paper tickets and uses the same prize structure and system of prize distribution as the paper tickets. The terminal has been named Lottery Express by the New York State Lottery.

According to Syntech President Gordon Graves, sales of instant tickets from the player-activated terminals have been twice as heavy as those handled over the counter by agents.

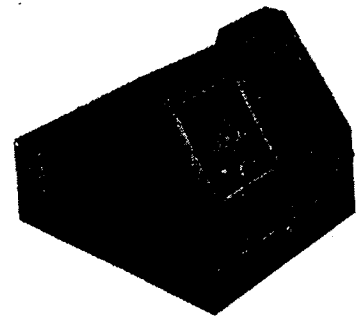
Also available from Syntech is a dedicated on-line terminal available for the sale of instant tickets only. The company says it was the first with such a terminal. The ITD-6000 offers a computerized distribution system that is designed to improve inventory control, timely reporting and sales activity.

Scientific Games, Inc.

While still committed to the design and manufacture of traditional instant tickets, Scientific Games now offers computerized equipment and systems for distribution and accounting of those tickets.

One of the company's devices for such distribution comes as part of its "Lottery Sales Center," a clerk-operated terminal designed to integrate marketing of all of a lottery's products. In addition to selling numbers and lotto

games, the terminal contains an instant ticket drawer for dispensing rub-off instant tickets. The terminal validates and accounts for the tickets, and in so

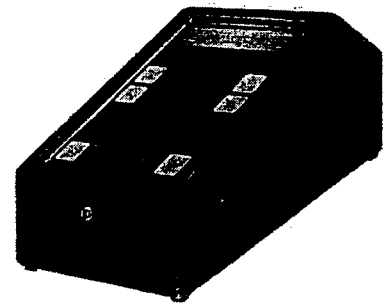


Scientific Games "Lottery Sales Center" terminal

doing performs the conventional Tel-Sell functions that allow the retailer to receive new tickets when needed.

Also available from the company is a stand-alone "Consumer-Activated Terminal" that can contain an automatic instant ticket dispenser.

For instant-only agents, Scientific Games offers the TIGER (Terminal for



Scientific Games TIGER terminal

Instant Game Electronic Retailing). Operating under a dial-up system, the terminal can validate both instant

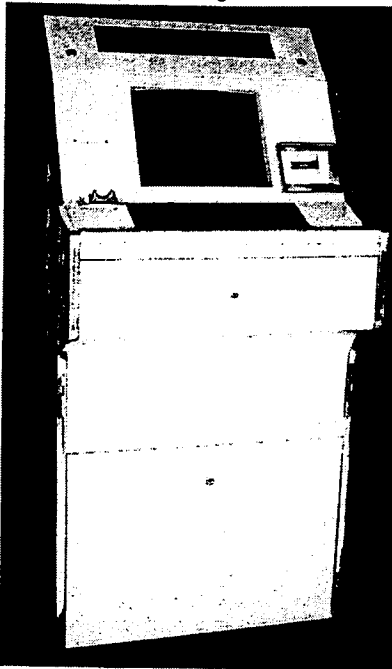
game and on-line winning tickets (up to the amount specified by a lottery), and provides computerized sales monitoring and ticket accounting functions for instant-only agents.

General Instrument, AmTote Systems Division

General Instrument offers a Touch-Screen Self-Service Terminal that can be configured either to dispense the same type of paper instant tickets sold by retail agents or programmed to offer a video facsimile of that game on its screen. The terminal is designed to sell all other of a lottery's products in addition to the instant game.

Electro-Sport, Inc.

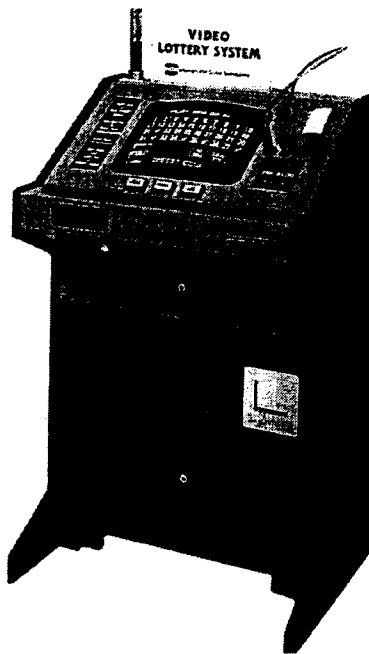
Like the General Instrument terminal, the Electro-Sport VAULT can be designed to either dispense traditional instant tickets or offer a video representation of the instant game, depending on the preference of a lottery, as well as a lottery's other games.



Electro-Sport VAULT terminal

International Game Technology

IGT has already programmed its video lottery terminal to make a video copy of a state lottery instant ticket game, and has conducted four pre-



IGT Video Lottery terminal

sentations of its capabilities, most recently to the Connecticut Attorney General.

International Totalizator Systems

ITS is out to revolutionize the instant ticket business by providing a paper alternative to the traditional paper instant ticket. In essence, the ITS system would print that part of the



ITS Datamark 4 terminal

ticket determining winners at the point-of-sale, rather than at the manufacturer's premises. Through thermal printing, game characters would be printed under the already-in-place scratch-off covering. Also at that time, a visible number and bar code would be printed on the ticket. The majority of the rest of the ticket-graphics,

instructions, odds, etc.—could be pre-printed prior to delivery to the lottery.

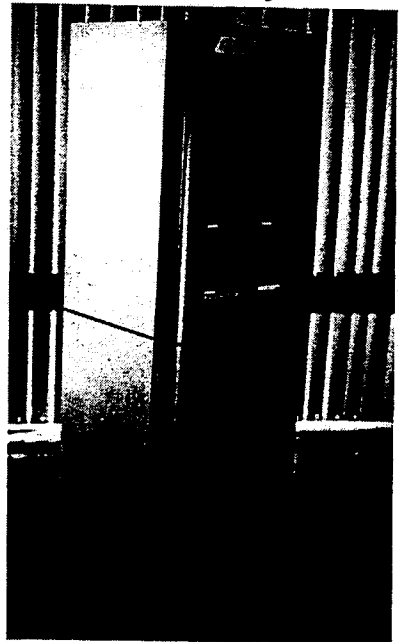
Under the ITS system, it would not matter if the tickets were stolen prior to sale, because they would have no value until they went through the terminal. According to the company, a lottery could run all of its on-line games—in addition to the instant game—through the ITS system, which, if necessary, can be provided as an add-on to a lottery's existing terminals.

Alternatively, the ITS printer can work with another vendor's terminal on a dial-up basis.

GTECH Corporation

Through its player-operated P.O.S.T terminal, GTECH offers a lottery the option of dispensing traditional paper instant tickets, as well as its other games. Additionally, the P.O.S.T. will offer, via a digital camera, a video equivalent of the paper ticket game being offered on the street.

The P.O.S.T. is designed to use



GTECH P.O.S.T. terminal

either continuous form paper tickets or the book-style tickets used in some New England states. The terminal will also eventually be able to offer instant game tickets with game play data printed at the point-of-sale. **PG**

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